

# KANSAS: EXPORTS, JOBS, AND FOREIGN INVESTMENT

## **Exports Mean Jobs for Kansas Workers**

- Nearly one-seventh (13.5 percent) of all manufacturing workers in Kansas depend on exports for their jobs. This is less than the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)
- Export-supported jobs account for an estimated 6.5 percent of Kansas's total private-sector employment (roughly one of every 15 jobs). This is equal to the national average. (2001 data latest available).

*Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports. Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.*

## **Exports Help Sustain Thousands of Kansas Firms—Small As Well As Large**

- A total of 2,485 companies exported goods from Kansas locations in 2001. Of those, 80 percent were small and medium-sized enterprises with fewer than 500 employees.
- Small and medium-sized firms generated more than one-fourth (25.8 percent) of Kansas's total exports of merchandise in 2001.

*Source: Exporter Data Base, International Trade Administration & Census Bureau*

## **Economic Globalization: A Two-Way Street for Kansas**

- In 2002, majority-owned affiliates of foreign companies employed 33,800 workers in Kansas.
- Nearly half of these foreign-investment-supported jobs (42 percent, or 14,100 workers) were in the manufacturing sector in 2002.
- Majority-owned affiliates of foreign firms accounted for 7.8 percent—roughly one-thirteenth—of total manufacturing employment in Kansas in 2001.
- Foreign investment in Kansas was responsible for 3.1 percent of the state's total private-industry employment in 2001.
- Major sources of Kansas's foreign-investment-supported jobs in 2002 were the United Kingdom, Canada, Germany, and France.

*Note: All figures exclude employment in banks affiliated with foreign companies. Source: Bureau of Economic Analysis.*

## **Kansas Depends on World Markets**

- Kansas's export shipments of merchandise in 2003 totaled \$4.6 billion. Kansas's export shipments fell 2 percent from 1999-2003.

- Kansas exported globally to 176 foreign destinations in 2003. The state's largest export market, by far, was NAFTA member Canada. Kansas exported \$1.0 billion worth of merchandise to the Canada in 2003, over 22 percent of the state total for 2003. Canada was followed by fellow NAFTA nation Mexico (2003 exports of \$602 million), Japan (\$543 million), South Korea (\$321 million), and the United Kingdom (\$249 million). Other top markets included Germany, China, Singapore, France, and Australia.
- Kansas's biggest growth market, in dollar terms, has been Mexico. From 1999 to 2003, export shipments to Mexico rose from \$382 million to \$602 million, an increase of \$220 million. Other countries to which Kansas recorded large increases in merchandise exports over this period were South Korea (exports up \$134 million), China (up \$115 million), Nigeria (up \$56 million), and Hong Kong (up \$42 million).
- Of Kansas's top 30 major markets, exports of merchandise to Romania grew the fastest over the 1999-2003 period. Kansas's exports of goods to Romania surged from some \$109,000 in 1999 to \$18 million, an increase of more than 16,000 percent. Kansas also more than doubled its merchandise exports to Nigeria (exports up 2,441 percent), Greece (up 869 percent), Thailand (up 387 percent), Portugal (up 290 percent), China (up 188 percent), and Hong Kong (up 139 percent).
- Manufactured goods make up 91 percent of Kansas's exports. Among manufactured products, the state's leading export category was processed foods, which accounted for \$1.3 billion—29 percent—of Kansas's total merchandise exports in 2003. Other top manufactured exports were transportation equipment (2003 exports of \$1.3 billion), machinery manufactures (\$415 million), computers and electronic products (\$339 million), and chemical manufactures (\$251 million).
- In dollar terms, Kansas's leading manufactured export growth category is processed foods. Export shipments of these products during the 1999-2003 period grew from \$970 million to \$1.3 billion—an increase of \$334 million. Other manufactured export categories that registered large dollar growth from 1999 to 2003 were machinery manufactures (exports up \$92 million), chemical manufactures (up \$81 million), fabricated metal products (up \$28 million), and leather and related products (up \$27 million).
- In percentage terms, Kansas's fastest-growing manufactured export category is fabric mill products, which grew 271 percent from \$2.6 million in 1999 to \$9.8 million in 2003. Other rapidly growing manufactured exports during this period were paper products (up 130 percent), petroleum and coal products (up 128 percent), fabricated metal products (up 55 percent), and primary metal manufactures (up 53 percent).

*Source: Origin of Movement State Export Series, Bureau of the Census.*

*Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.*

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